United States Oil Fund, LP
Form S-1/A
January 19, 2006

As filed with the Securities and Exchange Commission on January 19, 2006

Registration No. 333-124950

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

PRE-EFFECTIVE
AMENDMENT
NO. 4 TO
Form S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933
United States Oil Fund, LP
(Exact name of Registrant as specified in its charter)

Delaware	**6799**	**20-2830691**
(State or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification No.)*

1320 Harbor Bay Parkway, Suite 145
Alameda, California 94502
510.522-3336
(Address, including zip code, and telephone number, including area code, of Registrant s principal executive offices)
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Approximate date of commencement of proposed sale to the public: As soon as practicable after this registration statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. þ

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price per unit(1)	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee(2)
Units of United States Oil Fund, LP	1,000,000 units	$50.45	$50,450,000	$5,937.97

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(d) under the Securities Act of 1933. The price of each unit was estimated based on the closing price of near month oil futures contracts on the New York Mercantile Exchange of $50.45 on May 11, 2005.

(2) Previously Submitted

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the SEC is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED 2006

PRELIMINARY PROSPECTUS
1,000,000 units

United States Oil Fund, LP

United States Oil Fund, LP, a Delaware limited partnership, is a commodity pool that will issue units that may be purchased and sold on the American Stock Exchange. United States Oil Fund, LP is referred to as USOF throughout this document. The investment objective of USOF is for the units net asset value to reflect the performance of the spot price of West Texas Intermediate light, sweet crude oil delivered to Cushing, Oklahoma, less USOF s expenses.

This is a best efforts offering. USOF will continually offer creation baskets consisting of 100,000 units to authorized purchasers through ALPS Distributors, Inc., which is the marketing agent. **[Name of initial Authorized Purchaser]** is expected to be the initial authorized purchaser. Authorized purchasers will pay a $1,000 fee for the creation of each creation basket. There are no arrangements to place funds in an escrow, trust, or similar account. This will be a continuous offering and will not terminate until all of the registered units have been sold.

The initial authorized purchaser will, subject to conditions, purchase the initial creation basket of 100,000 units at an initial offering price per unit equal to the closing price of near-month oil futures contracts for light, sweet crude oil as listed on the New York Mercantile Exchange on the last business day prior to the effective date of the registration statement relating to this prospectus. The effective date will be the date the first creation basket is sold and the proceeds are invested. The per unit price of units offered in creation baskets on any subsequent day will be the total NAV of USOF calculated shortly after the close of the American Stock Exchange on that day divided by the number of issued and outstanding units.

Authorized purchasers will be the only persons that may place orders to create and redeem baskets. An Authorized Purchaser is under no obligation to create or redeem baskets, and an Authorized Purchaser is under no obligation to offer to the public units of any baskets it does create. Authorized Purchasers that do offer to the public units from the baskets they create will do so at per-unit offering prices that are expected to reflect, among other factors, the trading price of the units on the American Stock Exchange, the net asset value of USOF at the time the authorized purchaser purchased the creation baskets and the net asset value of the units at the time of the offer of the units to the public, the supply of and demand for units at the time of sale, and the liquidity of the oil futures contract market and the market for other oil interests, and are expected to fall between USOF s net asset value and the trading price of the units on the American Stock Exchange at the time of sale. Units initially comprising the same basket but offered by Authorized Purchasers to the public at different times may have different offering prices. Units are expected to trade in the secondary market on the American Stock Exchange. Units may trade in the secondary market at prices that are lower or higher relative to their net asset value per unit. The amount of the discount or premium in the trading price relative to the net asset value per unit may be influenced by various factors, including the number of investors who seek to purchase or sell units in the secondary market and the liquidity of the oil futures contracts market and the market for other oil interests. Authorized purchasers will not be required to sell any specific number or dollar amount of units.

USOF is not a mutual fund registered under the Investment Company Act of 1940 and is not subject to regulation under such Act.

Some of the risks of investing in USOF include:

Investing in oil interests subjects USOF to the risks of the oil industry and this could result in large fluctuations in the price of USOF s units.

If certain correlations do not exist, then investors may not be able to use USOF as a cost effective way to invest indirectly in oil or as a hedge against the risk of loss in oil-related transactions.

USOF does not expect to make cash distributions.

USOF and its general partner may have conflicts of interest, which may permit them to favor their own interests to your detriment.

USOF has no operating history so there is no performance history to serve as a basis for you to evaluate an investment in USOF.

Investing in USOF involves other significant risks. See What are the Risk Factors Involved With An Investment In USOF? starting on page 11.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION (SEC) NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE SECURITIES OFFERED IN THIS PROSPECTUS, OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE COMMODITY FUTURES TRADING COMMISSION (CFTC) HAS NOT PASSED UPON THE MERITS OF PARTICIPATING IN THIS POOL NOR HAS IT PASSED ON THE ADEQUACY OR ACCURACY OF THIS DISCLOSURE DOCUMENT.

This prospectus is in two parts: a disclosure document and a statement of additional information. These parts are bound together, and both contain important information.

	Per Unit	**Per Basket**
Price of the units in the first basket sold	$	$

The date of this prospectus is , 2006.

COMMODITY FUTURES TRADING COMMISSION
RISK DISCLOSURE STATEMENT

YOU SHOULD CAREFULLY CONSIDER WHETHER YOUR FINANCIAL CONDITION PERMITS YOU TO PARTICIPATE IN A COMMODITY POOL. IN SO DOING, YOU SHOULD BE AWARE THAT FUTURES AND OPTIONS TRADING CAN QUICKLY LEAD TO LARGE LOSSES AS WELL AS GAINS. SUCH TRADING LOSSES CAN SHARPLY REDUCE THE NET ASSET VALUE OF THE POOL AND CONSEQUENTLY THE VALUE OF YOUR INTEREST IN THE POOL. IN ADDITION, RESTRICTIONS ON REDEMPTIONS MAY AFFECT YOUR ABILITY TO WITHDRAW YOUR PARTICIPATION IN THE POOL.

FURTHER, COMMODITY POOLS MAY BE SUBJECT TO SUBSTANTIAL CHARGES FOR MANAGEMENT, ADVISORY AND BROKERAGE FEES. IT MAY BE NECESSARY FOR THOSE POOLS THAT ARE SUBJECT TO THESE CHARGES TO MAKE SUBSTANTIAL TRADING PROFITS TO AVOID DEPLETION OR EXHAUSTION OF THEIR ASSETS. THIS DISCLOSURE DOCUMENT CONTAINS A COMPLETE DESCRIPTION OF EACH EXPENSE TO BE CHARGED THIS POOL BEGINNING ON PAGE [62] AND A STATEMENT OF THE PERCENTAGE RETURN NECESSARY TO BREAK EVEN, THAT IS, TO RECOVER THE AMOUNT OF YOUR INITIAL INVESTMENT, ON PAGE [6].

THIS BRIEF STATEMENT CANNOT DISCLOSE ALL THE RISKS AND OTHER FACTORS NECESSARY TO EVALUATE YOUR PARTICIPATION IN THIS COMMODITY POOL. THEREFORE, BEFORE YOU DECIDE TO PARTICIPATE IN THIS COMMODITY POOL, YOU SHOULD CAREFULLY STUDY THIS DISCLOSURE DOCUMENT, INCLUDING THE DESCRIPTION OF THE PRINCIPAL RISK FACTORS OF THIS INVESTMENT, BEGINNING ON PAGE [11].

YOU SHOULD ALSO BE AWARE THAT THIS COMMODITY POOL MAY TRADE FOREIGN FUTURES OR OPTIONS CONTRACTS. TRANSACTIONS ON MARKETS LOCATED OUTSIDE THE UNITED STATES, INCLUDING MARKETS FORMALLY LINKED TO A UNITED STATES MARKET, MAY BE SUBJECT TO REGULATIONS WHICH OFFER DIFFERENT OR DIMINISHED PROTECTION TO THE POOL AND ITS PARTICIPANTS. FURTHER, UNITED STATES REGULATORY AUTHORITIES MAY BE UNABLE TO COMPEL THE ENFORCEMENT OF THE RULES OF REGULATORY AUTHORITIES OR MARKETS IN NON-UNITED STATES JURISDICTIONS WHERE TRANSACTIONS FOR THE POOL MAY BE EFFECTED.

THIS POOL HAS NOT COMMENCED TRADING AND
DOES NOT HAVE ANY PERFORMANCE HISTORY

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Until , 2006 (25 days after the date of this prospectus), all dealers effecting transactions in the offered units, whether or not participating in this distribution, may be required to deliver a prospectus. This requirement is in addition to the obligations of dealers to deliver a prospectus when acting as underwriters and with respect to unsold allotments or subscriptions.

Prospectus Summary

This is only a summary of the prospectus and, while it contains material information about USOF and its units, it does not contain or summarize all of the information about USOF and the units contained in this prospectus that is material and/or which may be important to you. You should read this entire prospectus, including What are the Risk Factors Involved with an Investment in USOF? beginning on page [9], before making an investment decision about the units.

Overview of USOF

United States Oil Fund, LP, a Delaware limited partnership (USOF or Us or We), is a commodity pool that will issue units that may be purchased and sold on the American Stock Exchange. USOF changed its name from New York Oil Fund, LP to United States Oil Fund, LP on September 30, 2005. The investment objective of USOF is for the units net asset value (NAV) to reflect the performance of the spot price of West Texas Intermediate (WTI) light, sweet crude oil delivered to Cushing, Oklahoma (WTI light, sweet crude oil), less USOF s expenses.

USOF will invest in futures contracts for WTI light, sweet crude oil and other petroleum-based fuels that are traded on the New York Mercantile Exchange or other U.S. and foreign exchanges (collectively, Oil Futures Contracts) and other oil interests such as cash-settled options on Oil Futures Contracts, forward contracts for oil, and over-the-counter transactions that are based on the price of oil, other petroleum-based fuels, Oil Futures Contracts and indices based on the foregoing (collectively, Other Oil Interests). The general partner, Victoria Bay Asset Management, LLC (General Partner), which is registered as a commodity pool operator, is authorized by the LP Agreement to manage USOF. The General Partner is authorized by USOF in its sole judgment to employ, establish the terms of employment for, and terminate commodities trading advisors or futures commission merchants.

USOF seeks to achieve its investment objective by investing in a mix of Oil Futures Contracts and Other Oil Interests such that USOF s NAV will closely track the price of a specified Oil Futures Contract (the Benchmark Oil Futures Contract) that the General Partner believes has historically exhibited a close price correlation with the spot price of WTI light, sweet crude oil. On any Valuation Day (a Valuation Day is any day as of which USOF calculates its NAV) that does not occur within the two week period preceding a monthly expiration date on the New York Mercantile Exchange, the Benchmark Oil Futures Contract is the near-month futures contract for WTI light, sweet crude oil that is traded on the Exchange. On each Valuation Day within the two week period preceding a monthly expiration date on the New York Mercantile Exchange, the Benchmark Oil Futures Contract is the second to nearest out futures contract for WTI light, sweet crude oil that is traded on the Exchange. Near Month means the first month of those futures contracts listed by an exchange. It is usually the most actively traded contract, but activity will move from this to the second to nearest out month contract as the near month nears expiration (e.g., typically after the middle of the month). Second to nearest out month means the month after the Near Month. This convention is used to define the Benchmark Oil Futures Contract because from its review of past market activity, the General Partner believes that as a general rule, most Oil Futures Contracts are closed out by parties to the contract before the contracts expire and that there is usually a lack of actual trading during the days prior to the expiration date of a particular contract. Since the lack of trading may cause the trading price of such contracts not to accurately reflect the market for the oil, the General Partner has made the determination to instead invest in the second to nearest out month contract during this two-week period.

More specifically, the General Partner will endeavor to place USOF s trades in Oil Futures Contracts and Other Oil Interests and otherwise manage USOF s investments so that A will be within plus/minus 10 percent of B, where:

A is the average daily change in USOF s NAV for any period of 30 successive Valuation Days, and

B is the average daily change in the price of the Benchmark Oil Futures Contract over the same period.

The General Partner believes that market arbitrage opportunities will cause USOF s unit price on the American Stock Exchange to closely track USOF s NAV. The General Partner further believes that the prices of the Benchmark Oil Futures Contract have historically closely tracked the spot prices of WTI light, sweet crude oil. The General Partner believes that the net effect of these two expected relationships and the relationship described above between USOF s NAV and the Benchmark Oil Futures Contract, will be that the price of USOF s units on the American Stock Exchange will closely track the spot price of a barrel of WTI light, sweet crude oil, less USOF s expenses.

USOF will also invest in obligations of the United States government with a remaining maturities of two years or less (Treasuries) and hold cash and cash equivalents to be used to meet its current or potential margin or collateral requirements with respect to its investments in Oil Futures Contracts and Other Oil Interests. USOF does not expect any meaningful correlation between the performance of USOF s investments in Treasuries/cash/cash equivalents and the changes in the price of WTI light, sweet crude oil. While the level of interest earned on these investments may in some respect correlate to changes in the price of oil, this correlation is not anticipated as part of USOF s efforts to meet its objectives. This and certain risk factors discussed in this prospectus may cause a lack of correlation between USOF s NAV and the price of WTI light, sweet crude oil.

The General Partner will employ a neutral investment strategy intended to track the spot price of WTI light, sweet crude oil regardless of whether the price of oil goes up or goes down. USOF s neutral investment strategy is designed to permit investors generally to purchase and sell USOF s units for the purpose of investing indirectly in oil in a cost-effective manner, and/or to permit participants in the oil or other industries to hedge the risk of losses in their oil-related transactions. Accordingly, an investment in USOF involves the risk that the price of USOF s units will not accurately track the spot price of WTI light, sweet crude oil and, depending on the investment objective of an individual investor, the risks generally associated with investing in oil and/or the risks involved in hedging.

USOF will create and redeem units only in blocks called Creation Baskets and Redemption Baskets, respectively. Only Authorized Purchasers may purchase or redeem Creation Baskets or Redemption Baskets. An Authorized Purchaser is under no obligation to create or redeem baskets, and an Authorized Purchaser is under no obligation to offer to the public units of any baskets it does create. It is expected that baskets will be created when there is sufficient demand for units that the market price per unit is at a premium to the NAV per unit. Authorized Purchasers will then sell such units, which will be listed on the American Stock Exchange, to the public at prices that are expected to reflect, among other factors, the trading price of the units on the American Stock Exchange, the NAV of USOF at the time the Authorized Purchaser purchased the Creation Baskets and the NAV at the time of offer of the units to the public, the supply of and demand for units at the time of sale, and the liquidity of the Oil Futures Contracts market and the market for Other Oil Interests, and are expected to fall between USOF s NAV and the trading price of the units on the American Stock Exchange at the time of sale. Similarly, it is expected that baskets will be redeemed when the market price per unit is at a discount to the NAV per unit. Retail investors seeking to purchase or sell units on any day are expected to effect such transactions in the secondary market, on the American Stock Exchange, at the market price per unit, rather than in connection with the creation or redemption of baskets.

The minimum number of Creation Baskets that must be sold is one. All proceeds from the sale of Creation Baskets will be invested as quickly as possible in the investments described in this Prospectus. There will be no escrow or similar holding of funds that has a time period or other conditions. Investments will be held through Brown Brothers Harriman & Co., USOF s Custodian or, through accounts with USOF s commodities futures brokers. There is no stated maximum time period for USOF s operations and the fund will continue until all units are redeemed or the fund is liquidated pursuant to the terms of the LP Agreement.

There is no specified limit on the maximum amount of Creation Baskets that can be sold. At some point, position limits on certain of the futures contracts USOF intends to invest in may practically limit the maximum amount of Creation Baskets that will be sold if the General Partner determines that the other investment alternatives available to USOF at that time will not enable it to meet its stated investment objective.

Units may also be purchased and sold in smaller increments on the American Stock Exchange. However, these transactions will be effected at bid and ask prices established by specialist firm(s). Like any listed security, units of USOF can be purchased and sold at any time a secondary market is open.

In managing USOF s assets the General Partner does not intend to use a technical trading system that issues buy and sell orders. The General Partner does intend to employ quantitative methodologies whereby each time one or more Creation Baskets are purchased or sold, the General Partner will purchase or sell Oil Futures Contracts and Other Oil Interests with an aggregate face amount that approximates the amount of Treasuries and cash received or paid upon the purchase or sale of the Creation Basket(s).

Note to Secondary Market Investors: The units can be purchased or redeemed directly from USOF only in Creation Baskets or Redemption Baskets, respectively, and only by Authorized Purchasers. Each Creation Basket and Redemption Basket will consist of 100,000 units and is expected to be worth several million dollars. Individual investors, therefore, will not be able to purchase or redeem units directly from USOF. Some of the information contained in this prospectus, including information about buying and selling units directly from and to USOF is only relevant to Authorized Purchasers. Units will also be listed and traded on the American Stock Exchange and may be purchased and sold as individual units. Individuals interested in purchasing units in the secondary market should contact their broker. Units purchased or sold through a broker may be subject to commissions.

Except when aggregated in Redemption Baskets, units will not be redeemable securities. There is no guarantee that units will trade at or near NAV.

USOF was organized as a limited partnership (LP) under Delaware law on May 12, 2005. USOF is operated pursuant to an LP Agreement, which is included as Exhibit 3.1. It is managed and controlled by the General Partner, Victoria Bay Asset Management, LLC. The General Partner is registered as a commodities pool operator (CPO) with the National Futures Association (NFA).

The Units

The units are registered as securities under the Securities Act of 1933 (the 1933 Act) and will not provide dividend rights or, conversion rights, and they will not be sinking funds. The units may only be redeemed when aggregated in Redemption Baskets as discussed under Creations and Redemptions and limited partners will have voting rights as discussed under Who is the General Partner? Cumulative voting will neither be permitted nor required and there will be no preemptive rights. As discussed in the LP Agreement, upon liquidation of USOF, its assets will be distributed to limited partners pro rata based upon the number of units held. Each limited partner will receive its share of the assets in cash or in kind, and the proportion of such share that is received in cash may vary from partner to partner, as the General Partner in its sole discretion may decide.

This will be a continuous offering under Rule 415 of the 1933 Act and it will terminate when all of the registered units have been sold. It is anticipated that when all registered units have been sold, additional units will be registered in subsequent continuous offerings. As discussed above, the minimum purchase requirement for Authorized Purchasers is a Creation Basket, which will consist of 100,000 units. Under the plan of distribution, USOF does not require a minimum purchase amount for investors who purchase units from Authorized Purchasers. There are no arrangements to place funds in an escrow, trust, or similar account.

USOF s Investments in Oil Interests

USOF will invest in Oil Futures Contracts and Other Oil Interests. For convenience and unless otherwise specified, Oil Futures Contracts and Other Oil Interests collectively are referred to as oil interests   in this prospectus. A brief description of the principal types of oil interest-related instruments in which USOF may invest is set forth below.

An oil futures contract is a standardized contract traded on a futures exchange that calls for the future delivery of a specified quantity of crude oil at a specified time and place.

A forward contract for oil is a supply contract between principals, not traded on an exchange, to buy or sell a specified quantity of oil at or before a specified date at a specified price.

A spot contract is a cash market transaction in which the buyer and seller agree to the immediate purchase and sale of oil, usually with a two-day settlement. Spot contracts are not uniform and are not exchange- traded.

An option on an oil futures contract, forward contract or oil on the spot market gives the buyer of the option the right, but not the obligation, to buy or sell a futures contract, forward contract or oil, as applicable, at a specified price on or before a specified date. Options on futures contracts are standardized contracts traded on an exchange, while options on forward contracts and oil on the spot market, referred to collectively in this prospectus as over-the-counter options, generally are individually negotiated, principal-to-principal contracts not traded on an exchange.

A swap contract is an over-the-counter negotiated contract that generally involves an exchange of a stream of payments between the contracting parties. Swap contracts generally are not uniform and not exchange-traded.

USOF may also invest in other over-the-counter negotiated contracts that satisfy its investment objectives of correlating the units   NAV to the spot price of WTI light, sweet crude oil. A more detailed description of oil interests and other aspects of the oil and oil interest markets can be found later in this Prospectus.

As noted, USOF expects to invest primarily in Oil Futures Contracts, and particularly in futures contracts for WTI light, sweet crude oil traded on the New York Mercantile Exchange. USOF expressly disclaims any association with such Exchange or endorsement of USOF by such Exchange and acknowledges that   NYMEX and   New York Mercantile Exchange   are registered trademarks of such Exchange.

Principal Investment Risks of an Investment in USOF

An investment in USOF involves a degree of risk. Some of the risks you may face are summarized below. A more extensive discussion of these risks appears beginning on page 11.

Unlike mutual funds, commodity pools or other investment pools that actively manage their investments in an attempt to realize income and gains from their investing activities and distribute such income and gains to their investors, USOF generally does not expect to distribute cash to limited partners or other unitholders. You should not invest in USOF if you will need cash distributions from USOF to pay taxes on your share of income and gains of USOF, if any, or for any other reason.

There is the risk that the price of USOF s units on the American Stock Exchange will not closely track the spot price of WTI light, sweet crude oil. This could happen if the price of units traded on the American Stock Exchange does not correlate closely with USOF s NAV; USOF s NAV does not closely correlate with the price of the Benchmark Oil Futures Contract; or the price of the Benchmark Oil Futures Contract does not closely correlate with the cash or spot price of WTI light, sweet crude oil. This is a risk because if these correlations do not exist, then investors may not be able to use USOF as a cost effective way to invest indirectly in oil or as a hedge against the risk of loss in oil-related transactions.

USOF seeks to have its NAV track the spot price of WTI light, sweet crude oil rather than profit from speculative trading of oil interests. The General Partner will therefore endeavor to manage

USOF s positions in oil interests so that USOF s assets are, unlike other commodities pools, not leveraged (*i.e.,* so that the aggregate value of USOF s unrealized losses from its investments in such oil interests at any time will not exceed the value of USOF s assets). There is no assurance that the General Partner will successfully implement this investment strategy. If the General Partner permits USOF to become leveraged, you could lose all or substantially all of your investment if USOF s trading positions suddenly turn unprofitable. These movements in price may be the result of factors outside of the General Partner s control and may not be anticipated by the General Partner.

Investors may choose to use USOF as a means of investing directly or indirectly in oil and there are risks involved in such investments. Among other things, the crude oil industry experiences numerous operating risks. These operating risks include the risk of fire, explosions, blow-outs, pipe failure, abnormally pressured formations and environmental hazards. Environmental hazards include oil spills, natural gas leaks, ruptures or discharges of toxic gases. Crude oil operations also are subject to various U.S. federal, state and local regulations that materially affect operations.

Investors, including those who participate in the oil industry, may choose to use USOF as a vehicle to hedge against the risk of loss and there are risks involved in hedging activities. While hedging can provide protection against an adverse movement in market prices, it can also preclude a hedger s opportunity to benefit from a favorable market movement. The successful use of a hedging device depends on the ability of the investor to forecast correctly the direction and extent of market movements within a given time frame. To the extent market prices remain stable or such prices move in a direction opposite to that anticipated, the investor may realize a loss on the hedging transaction that is not offset by an increase in the value of its units.

USOF expects to invest primarily in Oil Futures Contracts, and particularly in Oil Futures Contracts traded on the New York Mercantile Exchange. Representatives of the New York Mercantile Exchange have notified USOF of its belief that USOF is engaging in unauthorized use of such Exchange s service marks. The Exchange has demanded that USOF cease all uses of the service marks of the Exchange.

While USOF disputes the Exchange s positions described above, USOF has taken steps it believes are reasonably designed towards an amicable resolution with the New York Mercantile Exchange. Among other things, USOF has engaged in discussions with the New York Mercantile Exchange regarding these assertions and changed USOF s name. Additionally, as noted below USOF expressly disclaims any association with the Exchange or endorsement of USOF by the Exchange and acknowledges that NYMEX and New York Mercantile Exchange are registered trademarks of such Exchange.

At this time, USOF is unable to determine what the outcome from this matter will be. If the resolution or lack of resolution of this matter results in a material restriction on USOF s ability to invest in Oil Futures Contracts traded on the New York Mercantile Exchange, USOF may not be able to achieve its investment objective.

USOF expects to invest primarily in Oil Futures Contracts that are traded in the United States. However, a portion of USOF s trades may take place in markets and on exchanges outside the United States. Some non-U.S. markets present risks because they are not subject to the same degree of regulation as their U.S. counterparts. In some of these non-U.S. markets, the performance on a contract is the responsibility of the counterparty and is not backed by an exchange or clearing corporation and therefore exposes USOF to credit risk. Trading in non-U.S. markets also leaves USOF susceptible to fluctuations in the value of the local currency against the U.S. dollar.

USOF may also invest in Other Oil Interests, many of which are negotiated contracts that are not as liquid as Oil Futures Contracts and expose USOF to credit risk that its counterparty may not be able to satisfy its obligations to

USOF.

USOF will pay fees and expenses that are incurred regardless of whether it is profitable.

You will have no rights to participate in the management of USOF and will have to rely on the duties and judgment of the General Partner to manage USOF.

The structure and operation of USOF may involve conflicts of interest. For example, a conflict may arise because the General Partner and its principal and affiliates may trade for themselves. In addition, the General Partner has sole current authority to manage the investments and operations, which may create a conflict with the unitholders best interests. In addition, other conflicts may exit with extent to service providers against USOF, which may take positions in or trade units for themselves in futures or other markets that may be detrimental to unitholders.

USOF is new and has no operating history. Therefore, there is no performance history of this fund to serve as a basis for you to evaluate an investment in it.

For additional risks, see What are the Risk Factors Involved with an Investment in USOF?

Principal Offices of USOF and the General Partner

USOF s principal office is located at 1320 Harbor Bay Parkway, Suite 145 Alameda, California 94502. The telephone number is 510.522.3336. The General Partner s principal office is also located at 1320 Harbor Bay Parkway, Suite 145 Alameda, California 94502.

Financial Condition of USOF

USOF will not calculate the NAV prior to the effective date. As of 4:00 pm New York time on the effective date the NAV per unit was $.

Defined Terms

For a glossary of defined terms, see Appendix A.

Breakeven Analysis*

The breakeven analysis below indicates the approximate dollar returns and percentage required for the redemption value of a hypothetical $61.22 initial investment in a single unit to equal the amount invested twelve months after the investment was made. (We based the $61.22 assumption on the spot price of WTI light, sweet crude oil as traded on the New York Mercantile Exchange on October 29, 2005). This breakeven analysis refers to the redemption of baskets by Authorized Purchasers and is not related to any gains an individual investor would have to achieve in order to breakeven. The breakeven analysis is an approximation only.

		Units
Assumed initial selling price per unit	$	61.22
Management Fee (0.50%)**	$	.3061
Creation Basket Fee	$	(.01)
Estimated Brokerage Fee (0.35%)***	$	0.214
Interest Income (3.93%)****	$	(2.41)
Amount of trading income required for the redemption value at the end of one year to equal the initial selling price of the unit	$	(1.8999)
Percentage of initial selling price per unit		3.10%

* The Authorized Purchaser will pay a transaction fee of $1,000 to USOF for each basket sold or redeemed.

** USOF is contractually obligated to pay the General Partner a management fee based on daily net assets and paid monthly of 0.50% per annum on average net assets of $1,000,000,000 or less. For purposes of this example we assumed that the average net assets are $1,000,000,000 or less. If the average net assets were greater than $1,000,000,000 then the management fee would be 0.20% and the break-even amount would be lower.

*** USOF determined this estimate as follows. The Breakeven Analysis assumes an initial investment by an investor in one unit. USOF would be required to issue one Creation Basket of 100,000 units in order for the investor to purchase the one unit. Assuming the price of the units was $61.22, USOF would receive $6,122,000 upon the sale of the Basket. USOF would be required to purchase and sell (in order to close out) 100 oil futures contracts at $61,220 per contract (1,000 barrels of oil per contract × $61.22 per barrel) during each month of the year, or 1,200 contracts bought and sold per year. Futures commission merchants typically charge approximately $9.00 per contract buy or sale ($18.00 per buy and sale, or round turn), so the total annual commission charge would be $21,600 (1,200 contracts per year × $18 per buy and sell per contract). As a percentage of the total investment of $6,122,000 to support the issuance of the Creation Basket, USOF s annual commission expense would be 0.35% ($21,600 ÷ $6,122,000).

**** USOF will earn interest on Treasuries and it estimates that the interest rate will be 3.93% based on the current interest rate on the three-month Treasury Bills as of October 28, 2005. The actual rate may vary because various Treasuries with remaining maturities of two years or less may be used.

The Offering

Offering	USOF will be offering Creation Baskets consisting of 100,000 units through ALPS Distributors, Inc. or one of its SEC-registered broker-dealer affiliates (Marketing Agent) as marketing agent to Authorized Purchasers. The initial Authorized Purchaser will purchase the initial Creation Basket of 100,000 units at an initial offering price per unit equal to the closing price of near-month oil futures contracts for WTI light, sweet crude oil as listed on the New York Mercantile Exchange on the first business day prior to the effective date of the registration statement to which this prospectus relates. The effective date will be the date the first creation basket is sold and the proceeds are invested.
Use of Proceeds	The General Partner will initially apply all of USOF s assets toward trading in oil interests and investing in Treasuries, cash and cash equivalents. The General Partner expects to deposit substantially all of USOF s net assets with the futures commission merchant or other custodian to be used to meet its current or potential margin or collateral requirements in connection with its investment in oil interests. USOF will use only Treasuries or cash or cash equivalents to satisfy these requirements. The General Partner expects that all entities that will hold or trade USOF s assets will be based in the United States and will be subject to United States regulations. The General Partner believes that 5% to 10% of USOF s assets will normally be committed as margin for commodity futures contracts. However, from time to time, the percentage of assets committed as margin may be substantially more, or less, than such range. The remaining portion of USOF s assets will be held in Treasuries and/ or cash or cash equivalents by its custodian, Brown Brothers Harriman & Co. (Custodian) or posted as collateral to support USOF s investments in oil interests. All interest income earned on these investments will be retained for USOF s benefit.
American Stock Exchange Symbol	USO
Creation and Redemption	Authorized Purchasers will pay a $1,000 fee for the creation of each Creation Basket. The Authorized Purchasers will not be required to sell any specific number or dollar amount of units. The per unit price of units offered in subsequent Creation Baskets on any subsequent day will be the total NAV of USOF calculated shortly after the close of the American Stock Exchange on that day divided by the number of issued and outstanding units. The General Partner may, at any time, in its sole discretion, require any limited partner to withdraw entirely from the partnership or to withdraw a portion of his partner capital account, by giving not less than fifteen (15) days advance written notice to the limited partner thus designated. The limited partner is required withdraw from the partnership or withdraw that portion of his partner capital account specified in such notice, as the case may be, as of the close of business on such date as determined by the General Partner.

Registration Clearance and Settlement	Individual certificates will not be issued for the units. Instead, units will be represented by one or more global certificates, which will be deposited by the Custodian with the Depository Trust Company (DTC) and registered in the name of Cede & Co., as nominee for DTC. The global certificates evidence all of the units outstanding at any time. Unitholders are limited to(1) participants in DTC such as banks, brokers, dealers and trust companies (DTC Participants),(2) those who maintain, either directly or indirectly, a custodial relationship with a DTC Participant (Indirect Participants), and(3) those banks, brokers, dealers, trust companies and others who hold interests in the units through DTC Participants or Indirect Participants, in each case who satisfy the requirements for transfers of units. DTC Participants acting on behalf of investors holding units through such participants accounts in DTC will follow the delivery practice applicable to securities eligible for DTC s Same-Day Funds Settlement System. Units will be credited to DTC Participants securities accounts following confirmation of receipt of payment. The Administrator has been appointed registrar and transfer agent for the purpose of registering and transferring units. The General Partner will only recognize transfer of units only if such transfer is done on accordance with the LP Agreement, including the delivery of a transfer application.
Net Asset Value	The NAV is calculated by taking the current market value of USOF s total assets and subtracting any liabilities. Under USOF s current operational procedures, an administrator, Brown Brothers Harriman & Co. (Administrator), calculates the NAV of USOF s units as of the earlier of 4:00 p.m. New York time or the close of the New York Stock Exchange each day. The American Stock Exchange currently calculates an approximate net asset value every 15 seconds throughout each day USOF s units are traded on the American Stock Exchange for as long as the New York Mercantile Exchange s main pricing mechanism is open.
Fund Expenses	USOF will pay the General Partner a management fee of 0.50% of NAV on the first $1,000,000,000 of assets and 0.20% of NAV after the first $1,000,000,000 of assets. Brokerage fees for Treasuries, Oil Futures Contracts, and Other Oil Interests are estimated to be 0.35% and will be paid to unaffiliated brokers. The General Partner, and not USOF, is responsible for payment of the fees of USOF s Marketing Agent, Administrator and Custodian. Both USOF and the General Partner may be required to indemnify the Marketing Agent, Administrator or Custodian under certain circumstances.
Termination Events	USOF shall continue in effect from the date of its formation in perpetuity, unless sooner terminated upon the occurrence of any one or more of the following events: the death, adjudication of incompetence, bankruptcy, dissolution, withdrawal, or removal of a General Partner who is the sole remaining General Partner,

	unless a majority in interest of limited partners within ninety (90) days after such event elects to continue the partnership and appoints a successor general partner; or the affirmative vote of a majority in interest of the limited partners subject to certain conditions. Upon termination of the partnership, the affairs of the partnership shall be wound up and all of its debts and liabilities discharged or otherwise provided for in the order of priority as provided by law. The fair market value of the remaining assets of the partnership shall then be determined by the General Partner. Thereupon, the assets of the partnership shall be distributed to the partners in accordance pro rata in accordance with their units.
Authorized Purchasers	We expect the initial Authorized Purchaser to be [**insert name of authorized purchaser**]. We expect subsequent Authorized Purchasers to be market makers that purchase or redeem Creation Baskets or Redemption Baskets, respectively, from or to USOF.

What Are the Risk Factors Involved with an Investment in USOF?

You should consider carefully the risks described below before making an investment decision. You should also refer to the other information included in this prospectus, including USOF s financial statements and the related notes.

Risks Associated With Investing Directly or Indirectly in Oil

Investing in oil interests subjects USOF to the risks of the crude oil industry and this could result in large fluctuations in the price of USOF s units.

USOF is subject to the risks and hazards of the oil industry because it invests in oil interests. The risks and hazards that are inherent in the oil industry may cause the price of oil to widely fluctuate. If USOF s units accurately track the spot price of WTI light, sweet crude oil, then the price of its units may also fluctuate.

The risks of crude oil drilling and production activities include the following:

- no commercially productive crude oil or natural gas reservoirs will be found;
- crude oil and natural gas drilling and production activities may be shortened, delayed or canceled;
- the ability to of an oil producer to develop, produce and market reserves may be limited by:
  - title problems,
  - political conflicts, including war
  - weather conditions,
  - compliance with governmental requirements,
  - refinery capacity, and
  - mechanical difficulties or shortages or delays in the delivery of drilling rigs and other equipment;
- decisions of the cartel of oil producing countries (*e.g.,*OPEC, the oil producing exporting countries), to produce more or less oil;
- increases in oil production due to price rises may make it more economical to extract oil from additional sources and may later temper further oil price increases;
- economic activity of users, as certain economies oil consumption increases (*e.g.,* China, India) and as economies contract (in a recession or depression), oil demand and prices fall.

The crude oil industry experiences numerous operating risks. These operating risks include the risk of fire, explosions, blow-outs, pipe failure, abnormally pressured formations and environmental hazards. Environmental hazards include oil spills, natural gas leaks, ruptures or discharges of toxic gases.

Crude oil operations also are subject to various U.S. federal, state and local regulations that materially affect operations. Matters regulated include discharge permits for drilling operations, drilling and abandonment bonds, reports concerning operations, the spacing of wells and pooling of properties and taxation. At various times, regulatory agencies have imposed price controls and limitations on production. In order to conserve supplies of crude oil and natural gas, these agencies have restricted the rates of flow of crude oil and natural gas wells below actual production capacity. Federal, state, and local laws regulate production, handling, storage, transportation and disposal of crude oil and natural gas, by-products from crude oil and natural gas and other substances and materials produced or used in connection with crude oil and natural gas operations.

The price of USOF s units may be influenced by factors such as the short-term supply and demand for oil and the short-term supply and demand for USOF s units. This may cause the units to trade at a price that is above or below USOF s NAV per unit. Accordingly, the price of units may substantially vary from the spot price of WTI light, sweet crude oil. If this variation occurs, then you may not be able to effectively use USOF as a way to hedge against oil-related losses or as a way to indirectly invest in oil.

While it is expected that the trading prices of units will fluctuate in accordance with changes in USOF s NAV, the prices of units may also be influenced by other factors, including the short-term supply and demand for oil and the units. There is no guarantee that the units will not trade at appreciable discounts from, and/or premiums to, USOF s NAV. This could cause the price of units to substantially vary from the spot price of WTI light, sweet crude oil. This may be harmful to you because if the price of units varies substantially from the spot price of WTI light, sweet crude oil, then you may not be able to effectively use USOF as a way to hedge the risk of losses in your oil-related transactions or as a way to indirectly invest in oil.

USOF s NAV may not correlate with the price of the Benchmark Oil Futures Contract. If this were to occur, you may not be able to effectively use USOF as a way to hedge against oil-related losses or as a way to indirectly invest in oil.

The General Partner will endeavor to invest USOF s assets as fully as possible in short-term Oil Futures Contracts and Other Oil Interests so that the NAV will closely correlate with the price of the Benchmark Oil Futures Contract. However, USOF s NAV may not correlate with the price of the Benchmark Oil Futures Contract for several reasons as set forth below:

USOF (i) may not